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World Production and Trade

United States
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Roundup

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The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAIN AND FEED

In the USSR, anticipated grain imports for 1984/85 are now forecast at a near-record 43 million tons. This is well above the nearly 33-million ton imports of the past two seasons. Large feed requirements from a strong livestock sector and another reduced crop are forcing the Soviets to turn increasingly to imports, according to the U.S. agricultural counselor in Moscow. Soviet grain purchases for July-June 1984/85 delivery from all origins are already approaching 20 million tons, marking the heaviest ever early season buying. The United States has been an important part of this early season activity with sales for shipment after July 1, 1984, already exceeding 9 million tons, based on export sales reporting data.

OILSEEDS AND PRODUCTS

The INDIAN Agriculture Ministry has approved a Rs. 380 million (about US\$34.5 million) development project to raise oilseed production, according to the U.S. agricultural counselor in New Delhi. Items such as seeds and fertilizers will be subsidized or supplied free to the project. The development effort is aimed at reducing India's imports of edible oils, which are expected to rise to a record 1.3 million tons in 1983/84.

The Ministry of Agriculture in EGYPT announced informally that the previously reported ban on imported soybean meal has been lifted, as the domestic surplus has abated. The local press has reported that Egypt will begin to produce soymilk for infant feeding in conjunction with France. This soymilk plant will reportedly use 10 percent of Egypt's annual soybean crop. The 1984/85 soybean crop is forecast at 180,000 tons; the 1983/84 crop is estimated at 162,000 tons.

The CANADIAN Wheat Board (CWB) exported 1.46 million tons of rapeseed in the 1983/84 crop year (August/July). This represents an 18.7-percent increase over last year's rapeseed shipments of 1.23 million. In addition to surpassing export targets, CWB also reported that tonnage records were broken for the West Coast Ports. These increases are attributed to improvements made to the Western Grain Transportation System and aggressive sales activity by the CWB.

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DAIRY, LIVESTOCK AND POULTRY

In an attempt to reduce record butter intervention stocks (currently just over 1 million tons and rising) and to regain a declining export market share, the EUROPEAN COMMUNITY (EC) COMMISSION has proposed the following new measures: (1) Sales of 100,00-150,000 tons of intervention butter to the USSR, the Middle East and Iran; (2) production and sale of 50,000 tons of ghee for sale in the Near East; (3) extension of incentives that encourage use of butter in ice cream and pastries to include also chocolate products, other bakery products and canned fish items; (4) the use of butter with non-fat dry milk as calf feed; and (5) a Christmas butter sale at low prices. In the past, this sale has not had any significant impact on direct sales of butter. Consumers stock up at low prices and reduce purchases at normal prices. The Christmas sale is intended primarily to offset consumer resistance that always accompanies low-price butter sales to the Soviets.

No specific time frame or price was mentioned for the proposed sales. However, the EC will begin these special sales in early September, according to the Dutch Dairy Board. The Board also reports that the butter, which must be six months old to be eligible, will be sold for US\$1,300 per ton or \$100 over the General Agreement on Tariffs and Trade (GATT)-minimum of US\$1,200 per ton. In addition, intervention butter in the form of ghee will be sold to the Middle East for US\$1,540 per ton, also \$100 over the GATT-minimum of US\$1,440. Current world prices for butter are between US\$1,250 and \$1,400.

The following is a summary of the additional volume the Commission hopes to move:

Sale to USSR, Middle East and Iran	100,000-150,000 tons
Sale of ghee	50,000
Butter for chocolate	20,000
Butter for animal feed	45,000
Total	215,000-265,000 tons

The above measures are contingent on a supplemental budget being approved to cover the likely 1984 deficit. There are currently some funds available from the 1984 allocation for export subsidies for dairy products since exports are lagging behind estimated levels. However, these funds will not fully cover the cost of the above proposals.

Selected International Prices

Item	: August 14, 1984	: Change from	: A year	
	:	: previous week	: ago	
ROTTERDAM PRICES 1/				
	\$ per MT	\$ per bu.	\$ per MT	\$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	181.50	4.94	-10.50	208.00
U.S. No. 2 DNS/NS: 14%....	169.50	4.61	-14.50	188.00
U.S. No. 2 S.R.W.	155.00	4.22	0	172.00
U.S. No. 3 H.A.D.....	190.00	5.17	-9.00	209.00
Canadian No. 1 A: Durum...	204.00	5.55	-4.00	216.50
Feed grains:				
U.S. No. 3 Yellow Corn....	148.00	3.76	-5.00	171.00
Soybeans and meal:				
U.S. No. 2 Yellow.....	269.25	7.33	+7.25	351.00
Brazil 47/48% SoyaPellets	183.50	--	+3.50	299.00
U.S. 44% Soybean Meal..9/	186.00	--	+4.00	290.00
U.S. FARM PRICES 3/				
Wheat.....	N.Q.	N.Q.	N.Q.	N.Q.
Barley.....	N.Q.	N.Q.	N.Q.	N.Q.
Corn.....	N.Q.	N.Q.	N.Q.	N.Q.
Sorghum.....	N.Q.	N.Q. 6/	N.Q.	N.Q.
Broilers 4/.....	N.Q.	--	N.Q.	N.Q.
EC IMPORT LEVIES				
Wheat 5/.....	56.20	1.53	-2.40	59.40
Barley.....	53.00	1.15	-2.45	52.10
Corn.....	33.90	.86	-.10	25.05
Sorghum.....	64.35	1.63	+.05	58.40
Broilers 4/ 6/ 8/.....	170.00	--	+11.00	265.00
EC INTERVENTION PRICES 7/				
Common wheat(feed quality)	142.40	3.88	-.45	157.55
Bread wheat (min. quality)7/	152.25	4.14	-.60	173.60
Barley and all				
other feed grains.....	142.40	--	-.45	157.55
Broilers 4/ 6/.....	1132.00	--	N.A.	1098.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	12.40	.34	+.10	25.85
Barley.....	19.45	.42	-.20	19.10
Broilers 4/ 6/ 8/.....	100.00	--	-2.00	190.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.000 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/Reflects change in level set by EC. 9/ October-December. N.Q.=Not quoted. N.A.=None authorized. Note: Basis September delivery.

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